



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

2 JUL 1996

MEMORANDUM FOR DASD (CLINICAL SERVICES)  
DASD (HEALTH SERVICES FINANCING)  
DASD (HEALTH SERVICES OPERATIONS AND  
READINESS)  
DASD (POLICY AND PLANNING COORDINATION)  
EXECUTIVE DIRECTOR, DEFENSE MEDICAL  
INFORMATION MANAGEMENT  
DIRECTOR, RESOURCE MANAGEMENT OFFICE  
DIRECTOR, OCHAMPUS

SUBJECT: Budget and Acquisition Guidance Memorandum: Contracted  
Advisory and Assistance Services (CAAS)

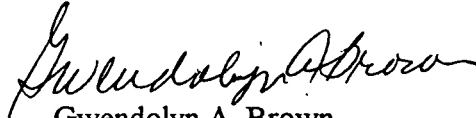
This memorandum promulgates the new procedures for planning, processing, and reporting CAAS support in the Office of the Assistant Secretary of Defense for Health Affairs (OASD(HA)), the Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS), and the Defense Medical Program Activity (DMPA). This policy and procedure is in accordance with DoD Directive 4205.2, "Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)," February 10, 1992, and is necessary to ensure that all OASD(HA) CAAS support requirements are accomplished in accordance with government regulations and directives.

CAAS (sometimes referred to as "consulting services") is defined as those services acquired by contract from non-governmental sources to support or improve organization policy development, decision-making, management and administration, program and/or project management and administration, or to improve the effectiveness of management processes or procedures. In rendering the foregoing services, outputs may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training and the day-to-day aid of support personnel needed for the successful performance of ongoing Federal operations. CAAS services are reported in Budget Exhibit PB-15.

Advisory and assistance services that are exempt from the scope of DoDD 4205.2 include clinical and medical services for direct health care, and consulting services in support of Federal Information Processing (FIP) requirements. The FIP requirements are controlled in accordance with the Federal Information Resources Management Regulation (FIRMR), are exempt from the scope of DoDD 4205.2, and are reported in Budget Exhibit 43a, Report on Information Technology Systems.

The new procedures for planning, processing, and reporting CAAS support in the Office of the Assistant Secretary of Defense for Health Affairs (OASD(HA)) and the Defense Medical Program Activity (DMPA) are attached. OCHAMPUS also will comply with the attached CAAS procedures. However, OCHAMPUS may continue to use its own internal contracting procedures to award contracts.

If you have any questions or comments on this guidance, please contact CDR Charlie Puksta, Acting Director, DMPA/RMO, at (703) 681-~~6817~~ 8717.



Gwendolyn A. Brown  
Deputy Assistant Secretary of Defense  
(Health Budgets and Programs)

Attachments:  
As stated

*Approved*  
*7/2/96 EDM*

## **New Simplified CAAS Procedures.**

The new CAAS procedures are conceptually divided into two phases (See Attachment 2). Phase I, CAAS Budget and Review, covers the steps necessary for developing the annual CAAS Budget and CAAS Operating Plan. Phase II, CAAS Execution, covers the process of contracting for approved and funded CAAS requirements; and, the process for modifying the Operating Plan because of changes in requirements throughout the year.

### **Developing the Annual CAAS Budget and Operating Plan**

- (1) Concurrent with developing an annual budget, requiring activities must quantify their manpower resources and determine if CAAS are required and appropriate to support a particular project or program. The requiring activity must submit its requirement on a CAAS Fact Sheet through the appropriate chain of command to its respective DASD or Director for approval. The DASD or Director will submit the fact sheet to the Director of the Resource Management Office (RMO), DMPA, who will collate and prepare requests for the CAAS Review Committee Chairperson to be presented and reviewed at the CAAS Review Committee meeting in June or July. The Fact Sheet requires information such as descriptions of functions performed, mission supported and funding. The required format and content of the CAAS Fact Sheet is described in Attachment 3.
- (2) The Chairperson will consolidate requirements from all requesting activities and present them to the CAAS Review Committee for discussion and vote to validate the requirements and certify that CAAS is the most efficient and effective method. The Committee will prioritize tasks. The composite of approved fact sheets will constitute the CAAS Annual Requirements Plan. The CAAS Review Committee will submit the prioritized requirements to the Principal Deputy Assistant Secretary of Defense (Health Affairs) (PDASD(HA)) for approval.
- (3) Once the CAAS Annual Requirements Plan has been approved by the PDASD(HA), the information and data contained within the plan will serve as the basis for the budget exhibit, PB-15 Contract Assistance/Advisory Services. A separate exhibit will be submitted by DMPA and OCHAMPUS.
- (4) After the funds are appropriated and allocated for the new current fiscal year, the CAAS Review Committee will apply the allocated funding to the Requirements Plan. The approved list of requirements (with associated funding) will become the CAAS Operating Plan. If funding is not sufficient to support all requirements, a list of unfunded requirements (UFR) will be maintained for future consideration. Funds will be distributed to OCHAMPUS and DMPA by a Fund Authorization Document (FAD) stipulating the funded amount of the CAAS Operating Plan.

### Executing the CAAS Operating Plan at DMPA


- 1) Having received funding and an approved Operating Plan, the Director of RMO (CAAS Coordinator) will notify the appropriate offices to initiate contracting actions for their approved requirements.
- (2) The CAAS Coordinator will ensure that the requested contracting action is a part of the CAAS Operating Plan. If so, the Coordinator also will verify that the proposed dollar expenditure for that requirement is within five percent (5%) of the CAAS Operating Plan approved dollar amount. (For example, a requirement is approved and budgeted for within the plan at \$50,000 dollars, yet the requiring activity submits the tasking with a proposed amount for execution at \$52,000. Since the execution dollar figure is less than a 5% (\$2,500) increase in the planned amount, the requirement can be forwarded for processing.) If the execution dollar figure is greater than a 5% increase in the planned amount, the requiring activity will modify the CAAS Fact Sheet to reflect the new dollar figure. The modified CAAS Fact Sheet will be re-submitted to the CAAS Review Committee Chairperson for approval at the next CAAS Review Committee quarterly meeting.

### Contracting and Accounting

- (1) Once the CAAS Coordinator verifies that a requirement is approved and the dollar figure is within scope, the Coordinator will forward the requirement to the appropriate Contracting Officer's Representative (COR). The COR will do a preliminary review of pricing, and review the tasking to ensure it is within contract scope and then forward it to the RMO Budget Division.
- (2) The Budget Division will apply the appropriate cost code/fund cite, prepare a DD Form 1262 (Administrative Service Request), and forward the complete Tasking package to DSS-W for final contract award.
- (3) DSS-W will take the necessary steps to contract the requisite services. The Committee will review deliverables of approved tasks as they are completed.

### Modifications and Additions to the Current Year Operating Plan

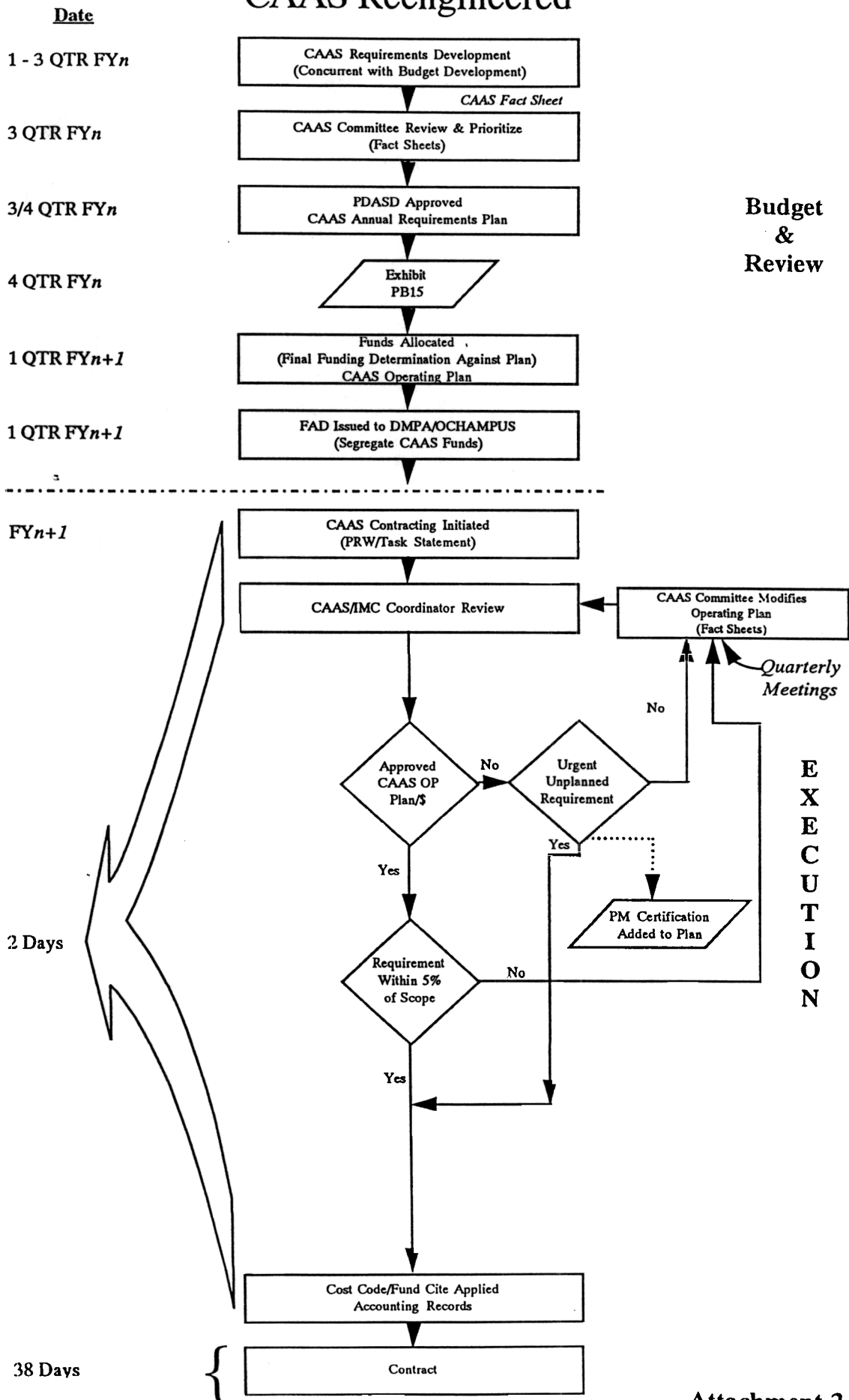
- (1) If a requirement submitted is not included in the CAAS Operating Plan, the CAAS Coordinator will ascertain if the new requirement is an urgent requirement approved by the PDASD. If so, the requester will certify by a memorandum for the record that the requirement is an urgent requirement approved by the PDASD. The requirement will be added to the Operating Plan and forwarded for contracting. Urgent requirements that are approved without new funding will cause other requirements in the Operating Plan to become unfunded requirements.



If the new requirement is not urgent, the requester will develop a CAAS Fact Sheet and submit it to the CAAS Review Committee Chairperson via their Director and RMO for approval at the next CAAS Review Committee quarterly meeting.

- (2) New or modified requirements will be approved in the CAAS Review Committee quarterly meetings. Approved items will be added to the approved Operating Plan. The addition of urgent and routine new requirements within the allocated funding may result in creating new unfunded requirements. RMO will submit these unfunded requirements to HB&P during the quarterly Budget Execution review process which will compete with the other components' requirements for funding.

# CAAS Reengineered



## CAAS Fact Sheet

Date \_\_\_\_\_

1. **CAAS PROJECT TITLE:** \_\_\_\_\_  
(e.g. "Claims Review, Technonogy Assessments, etc.")
2. **SPONSORING HEALTH AFFAIRS ORGANIZATION(S):**  
(List all activities using this CAAS service)
3. **TASK MANAGER:** (Person(s) responsible for defining the requirement and/or assigned to interface with RMO on matters concerning the tasks to be performed. List Name, Organization, Telephone and Fax Number, and E-mail address)
4. **MISSION SUPPORTED:**  
(What is the mission need which requires use of this CAAS service?  
e.g. produce rational, defensible POMs and budgets for AISs).
5. **FUNCTIONS PERFORMED:**  
(List CAAS services performed by contractor)
6. **CURRENT CONTRACTOR:**
7. **FUNDING:**

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>
Planned:			
Actual:			

**FTEs**  
(List FTEs associated with this project)
8. **WAS THIS CAAS SERVICE INCLUDED IN THE CURRENT CAAS OPLAN?**  
(yes/no. If not, explain why)
9. **IMPACT IF THIS CAAS SERVICE IS REDUCED OR ELIMINATED:**